

REPORT

FROM

THE SECRETARY OF THE TREASURY,

In compliance with a resolution of the Senate, in relation to the custody of the public deposits since the repeal of the independent system.

AUGUST —, 1842.

Read, and ordered to be printed.

TREASURY DEPARTMENT, *July 19, 1842.*

SIR: In compliance with the resolution adopted by the Senate on the 13th instant, I have the honor to report, that since the repeal, on the 13th of August last, of the act of Congress of the 4th of July, 1840, commonly called the Independent Treasury law, the public money held to the credit of the Treasurer, excepting the amounts previously placed in the mint and its branches to facilitate the operations of the coinage, and sundry balances remaining in former depositories, has been either kept by the public officers charged by law with its collection, or by banks selected for the purpose of safe-keeping by the Secretary of the Treasury. My immediate predecessor in office designated the following banks as depositories of the public money soon after the repeal of the law referred to, viz.: 'The Merchants' Bank, at Boston; the Merchants' Bank, at New York; the Southwestern Railroad Bank, at Charleston, South Carolina; the Bank of the Metropolis, in this city; the Louisville Savings Institution, at Louisville, Kentucky; and the Arcade Bank, at Providence, Rhode Island.

The only instance of the change of depository after selection, is that of the Bank of Commerce, at New York, for the Merchants' Bank, of that city. The reasons for this change are stated in the letter addressed by my predecessor to the president of the Merchants' Bank, dated August 27, 1841, which is herewith transmitted, marked A.

Since my appointment to the office of Secretary of the Treasury, I have designated the following banks as depositories of public money, viz.: The Exchange Bank, at Pittsburg, Pennsylvania; the Piscataqua Bank, at Portsmouth, New Hampshire; the Farmers' and Mechanics' Bank, at Hartford, Connecticut; the Philadelphia Bank, at Philadelphia; the Merchants' Bank, at Baltimore; the Bank of America, at New York; the Bank of Norwalk, at Norwalk, Ohio; the Ohio Life Insurance and Trust Company, at Cincinnati, Ohio; and the Clinton Bank of Columbus, at Columbus, Ohio.

The regulations and securities under which public money is deposited in all these banks, excepting the three lastmentioned, are contained in the document marked B, which, excepting the 7th item erased from several before submitted to the banks respectively, has been formally assented to by those corporations. The three banks in the State of Ohio have entered into

Thomas Allen, print.

the stipulations contained in the form marked C, with a collateral obligation duly executed in each case by sureties, certified by the district attorney to be sufficient, after the form D.

No distinction has been made in the regulations and securities under which public money has been deposited with banks, between cash received from loans and treasury-notes, and that accrued from duties or other sources of revenue.

The inconvenience to holders of drafts in realizing their amounts when drawn upon remote receivers of public money, has led to special deposits to the credit of the Treasurer in the Union Bank, at New Orleans, and the Bank of the State of Missouri, at St. Louis, neither of which has assented to the stipulations proposed to the banks selected, on account of objections to the terms; but have agreed to honor the Treasurer's drafts against special deposits made with them to his credit.

A small sum has been deposited to the credit of the Treasurer in the Bank of Cape Fear, at Wilmington, as appears by the Treasurer's statement, which was collected by the district attorney from a public debtor.

The sums deposited in each of the depositories of public money, by the last returns, is shown by the statement of the Treasurer annexed, marked E.

All of which is respectfully submitted.

W. FORWARD,
Secretary of the Treasury.

Hon. W. P. MANGUM,
President of the Senate of the United States.

A.

TREASURY DEPARTMENT, *August 27, 1841.*

SIR: The amount of cash required to be raised at this time, by loan, to meet the public exigencies, agreeably to the public notice of this Department, being more than one half the capital stock of your bank, it would not, under the rules established on this subject, be proper to direct this million of dollars to be placed in your bank, in addition to the current deposit to the credit of the Treasurer.

The Bank of Commerce having offered to enter into all the stipulations which have been settled here as essential to be required of every bank employed as a depository of the public money to the credit of the Treasurer, which your bank has declined, I have felt it to be my duty to select it. This has not been done from any want of confidence in your correctness, or the stability of your bank, but simply to enforce the requisite uniformity of terms among the banks which are intrusted with the keeping of the public money.

I will, therefore, thank you to decline receiving any payment for the credit of the Treasurer, and refer the party offering to make it to the Bank of Commerce, as the proper place. The Treasurer's account with your bank will be closed, whenever that officer's balance shall be drawn and the vouchers returned.

I am, &c.

T. EWING,
Secretary of the Treasury.

J. J. PALMER, Esq.,
President of the Merchants' Bank, New York.

B.

TREASURY DEPARTMENT, ——— 184—.

SIR: Intending to select your bank as a depository of the public moneys, I submit, for the consideration of the president and directors, the following terms and conditions on which the selection will be made:

Should your institution assent to these terms, I will, on hearing from you to that effect, give the necessary instructions to the collectors, &c., to make their deposites in your bank.

1st. To receive, and enter to the credit of the Treasurer of the United States, all sums of money offered to be deposited on account of the United States, whether offered in gold or silver coin, or in notes of any bank which are convertible into coin in the vicinity of the bank.

2d. If the deposite in the bank shall exceed one half of its capital stock actually paid in, collateral security, satisfactory to the Secretary of the Treasury, shall be given for its safe-keeping and faithful disbursement: *Provided*, That if the Secretary shall at any time deem it necessary, the bank to give collateral security when the deposite shall not equal one half the capital.

3d. To make semi-monthly (or oftener if required) returns of its entire condition to the Secretary of the Treasury, and to him and to the Treasurer of the United States, weekly, of the state of his account; and to submit its books and transactions to a critical examination by the Secretary of the Treasury, or any agent duly authorized by him, whenever he shall require it. This examination may extend to all the books and accounts, to the cash on hand, and to all the acts and concerns of the bank, except the current accounts of individuals, or as far as it is admissible without a violation of the bank's charter.

4th. To pay out of the deposite in hand, in gold or silver, if required, all warrants or drafts which may be drawn upon it by the Treasurer of the United States, and to transfer any portion of that deposite to any other bank or banks employed by the Government, within the United States, whenever the Secretary of the Treasury may require it, without charge to the Government for transportation, or difference of exchange, commissions, or anything else whatsoever; but the Secretary of the Treasury shall give reasonable notice of the time when such transfer will be required.

5th. To render to the Government, whenever required by the proper authority, all or any portion of the services formerly performed by the Bank of the United States, or which might be lawfully required of it, in the vicinity of the bank.

6th. If the Secretary of the Treasury shall think proper to employ an agent or agents to examine and report upon the accounts and condition of the banks in the service of the Government, or any of them, the bank to pay an equitable proportion of his or their expenses and compensation, according to such apportionment as may be made by the said Secretary.

7th. Whenever required by the Secretary of the Treasury, the bank to furnish, with all convenient despatch, bills of exchange on London, payable at such sight as may be required, at the usual market price for the time being, without commission or advance for the profit of the bank, or any charge whatsoever beyond the actual cost; the payment of said bills to be guarantied by the bank.

8th. The Secretary of the Treasury may discharge the bank from the service of the Government, whenever, in his opinion, the public interest may require it.

I am, very respectfully, your obedient servant,

Secretary of the Treasury.

C.

Agreement made and entered into by the Bank of _____ with the Secretary of the Treasury, acting in behalf of the United States.

1. It is hereby stipulated and agreed by said bank, with the United States, that it will receive and place to the credit of the Treasurer of the United States, and safely keep, on special deposit, as cash, in lawful currency, all sums of money offered to be deposited on account of the United States, whether offered in lawful gold or silver coin, or in the notes of banks equivalent to and convertible into such coin; or in such bank-notes as said bank, previous to the receipt of the same by any public officer offering the same in deposit, had given notice would be accepted to the credit of the Treasurer as cash by said bank. And it is expressly understood that the sums deposited to the credit of the Treasurer of the United States as aforesaid, shall not be used or employed by said bank for the purpose of extending its discounts, or in any of its general banking operations.

2. The said bank further stipulates and agrees to pay the drafts of the Treasurer upon any balance to his credit therein, in lawful gold or silver coin, whenever the same shall be demanded by the lawful holders of such drafts.

3. The said bank further stipulates and agrees to make returns of the condition of the Treasurer's account with the same at the close of the business of Saturday of every week, in duplicate; one copy to be sent to the Secretary of the Treasury, and the other to the Treasurer of the United States, through the post-office. And, also, to make a full return of the state of said bank to the Secretary of the Treasury, once every two weeks.

4. The said bank agrees to become liable to the United States for all sums placed in special deposit as aforesaid to the credit of the Treasurer, as fully as for any general deposit whatever.

5. Should the public service, at any time, in the opinion of the Secretary of the Treasury, require that any portion of the balance standing to the credit of the Treasurer in said bank be transferred to any other bank, institution, or officer, employed as a depository of public money, the said bank of _____ hereby stipulates and agrees to make such transfer, free from all charge to the United States for transportation, difference of exchange, commissions, or any expense whatever, and to place the amount directed to be transferred to such depository, therein, in such funds as shall be accepted by the same as cash, in lawful currency. It being understood that not less than the following notice shall be given, before the time when any transfer is required to be effected, viz: fifteen days, if within the same State; thirty days, if within the same section of country; and sixty days, to any other point.

6. It is hereby understood that the Secretary of the Treasury may, at any

time, discharge said bank of — from the service of the United States, as a depository, under this agreement ; and the said bank stipulates and agrees to pay over to the institution or individual who may be duly authorized to receive the same, the whole balance which may then remain therein to the credit of the Treasurer of the United States.

In testimony of this agreement, the said Bank of — has hereunto affixed its corporate seal, attested by the signatures of its president and cashier, this — day of —.

D.

Know all men by these presents, That we, of —, in the State of —, are held and firmly bound to the United States of America in the sum of — dollars, to be paid to the United States, for which payment, well and truly to be made, we do, jointly and severally, bind ourselves, our heirs, executors, and administrators, and each and every of them, firmly by these presents.

Sealed with our seals, and dated this — day of —, in the year of our Lord eighteen hundred and forty—

Whereas an agreement, bearing even date herewith, has been entered into between the — and the Secretary of the Treasury, acting in behalf of the United States, whereby, among other things, it is stipulated and agreed by said — that it will receive and place to the credit of the Treasurer of the United States, and safely keep on deposit, as cash, all sums of money offered to be deposited on account of the United States, and that the same, when deposited, shall not be used by said

and that the drafts of said Treasurer, upon any balance thus deposited to his credit, shall be paid in gold or silver, when demanded, together with sundry other stipulations in said agreement mentioned, as by said agreement, reference thereto being had, more fully and at large appears.

Now, the condition of this obligation is such, That if the said — shall well and faithfully, and without fraud, evasion, or improper delay, keep and perform all and singular the stipulations and conditions in the said agreement mentioned (which agreement comprises six distinct articles), according to the tenor and true meaning and purpose of said several stipulations and conditions, then this obligation to be void, otherwise in full force.

Signed, sealed, and delivered, in presence of—

E.

Statement showing the names of depositories of public money and the the amount on deposit, as per returns of the latest date.

Date of return.		Name of depository.	Amount.
June	28	Piscataqua Bank, Portsmouth, N. H. -	\$2,932 85
July	2	Merchants' Bank, Boston, Mass. -	632,339 12
July	9	Arcade Bank, Providence, R. I. -	3,678 68
June	27	Farmers & Mechanics' Bank, Hartford, Conn. -	533 81
July	9	Bank of Commerce, New York, N. Y. -	671,959 59
July	9	Bank of America, New York, N. Y. -	679,722 47
July	9	Merchants' Bank, New York, N. Y. -	2,000 00
June	30	Philadelphia Bank, Philadelphia, Penn. -	204,595 22
June	30	Merchants and Manufacturers' Bank, Pittsburg, Pennsylvania -	116 73
June	30	Exchange Bank, Pittsburg, Penn. -	20 00
June	30	Franklin Bank, Baltimore, Md. -	114 83
July	9	Merchants' Bank, Baltimore, Md. -	19,982 81
July	9	Bank of the Metropolis, Washington, D. C. -	125,834 76
June	28	Bank of Cape Fear, Wilmington, N. C. -	1,648 15
June	30	Southwestern Railroad Bank, Charleston, S. C. -	16,442 84
July	2	Planters' Bank, Savannah, Ga. -	20 00
June	18	Union Bank, New Orleans, La. -	48,335 53
June	18	Citizens' Bank, New Orleans, La. -	53 20
June	18	Planters' Bank, Nashville, Tenn. -	500 00
June	30	Union Bank, Nashville, Tenn. -	2,803 97
June	18	Bank of Missouri, St. Louis, Mo. -	17,156 89
June	30	Louisville Savings' Institution, Louisville, Ky. -	55,395 19
July	9	Clinton Bank, Columbus, Ohio -	406 76
May	28	Franklin Bank, Cincinnati, Ohio -	3,175 00
July	2	The Ohio Life Insurance and Trust Company's Bank, Cincinnati, Ohio -	3,000 00
July	2	Bank of Norwalk, Norwalk, Ohio -	123,860 61
June	30	Treasurer of Mint, Philadelphia, Penn. -	614 33
June	18	Treasurer of Branch Mint, New Orleans, La. -	67,104 32
March	19	P. T. Crutchfield, receiver of public moneys, Little Rock, Ark. -	6580 00
Dec.	1	J. McFarran, receiver of public moneys, Jackson, Miss. -	6148 11
June	30	Samuel Cruse, receiver of public moneys, Huntsville, Ala. -	626 66
Dec.	22	E. B. Randolph, receiver of public moneys, Columbus, Miss. -	6105 00
			<hr/> a2,624,607 43
<i>Deposites with mint and branches.</i>			
June	30	Mint of the United States, Philadelphia, Penn. -	104,960 94

E—Continued.

Date of return.	Name of depository.	Amount.
June 30	Branch Mint of the United States, Charlotte, North Carolina - - -	\$32,000 00
June 30	Branch Mint of the United States, Dahlo-nega, Georgia - - -	20,000 00
June 30	Branch Mint of the United States, New Or-leans, Louisiana - - -	23,238 10
<i>Deposites in banks, unavailable.</i>		
June 30	Planters' Bank, Natchez, Miss. - -	33,425 47
June 30	Agricultural Bank, Natchez, Miss. - -	13,934 26
June 30	Bank of Michigan, Detroit, Mich. - -	28,251 90
		<u>2,880,418 10</u>

a. Amount of available funds, per preceding statement - \$2,624,607 43
 Less, drafts outstanding, drawn thereon - - 529,743 63

Net available balance, 9th July - 2,094,863 80

b. Depositories under the late sub-treasury act. The amounts therein drafted for, but yet outstanding.

TREASURER'S OFFICE, July 14, 1842.

W. SELDEN,
Treasurer of the United States.

